Declassified and Approved For Release 2012/02/08 : CIA-RDP90-00965R000403730023-3

Ledeen was the only American to have contact with the Iranians from the start of the initiative all the way through to the end in November of 1985. He was scheduled to appear before the Committees but was cancelled despite his objections and those of the Wall Street Journal and the Washington Times

## Mike Ledeen Tells His Iran Arms Story

By Erika Holzer

would seem at first blush to make him an unlikely candidate for controversy: teacher of American history, lecturer, journalist, historian, author of nine books on various historical and international questions ranging from the fall of the Shah of Iran to an analysis of Italian politics. But Ledeen is also an acknowledged international expert on counterterrorism and sometime U.S. Government consultant. In this latter capacity, he was drawn into "the Iranian matter," as he puts it.

Mike was to testify before the House and Senate Select Committees on the Iran/Contra affair the Friday before Colonel Oliver North testified. Ledeen's appearance was canceled—over his own vociferous protests and those of his lawyer James Woolsey. As we go to press, Mike Ledeen is still hoping he'll be rescheduled—

for two reasons, he told me. First, since statements were made about him by witnesses and Committee members, he wants an opportunity, in the interests of fairness, to respond in the same forum. Second, in keeping with the Committees' mandate to investigate all aspects of the Iranian matter—and since he was the only American to have contact with the Iranians from the start of the initiative all the way through to November of 1985—he feels strongly that his story should be heard by the American people.

# Q. Mike Ledeen, how and when did you become a key player in the Iranian initiative?

A. It started in May 1985 when Robert McFarlane, the national security advisor, approached me about what amounted to a research project on Iran. McFarlane and people who worked for him recognized that Iran is a coun-

41

Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

#### Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

#### CONSERVATIVE DIGEST

try of great geopolitical importance to the Western world and yet the U.S. Government's current knowledge of Iran was shamefully inadequate.

#### Q. Why was Iran so important?

A. Two reasons. Its size — sixty million people — with, after Israel, probably the strongest army in the region. Secondly, it is *the* buffer between the Soviet Union and the Persian Gulf. Remember Kissinger's and Nixon's two-pillar Middle Eastern policy following the withdrawal of the British from East of Suez? The idea was to stop Soviet expansion into that part of the world with Saudi Arabian money and Iranian military power. That's why we had such a close relationship with the Shah of Iran.

#### Q. Why did McFarlane call on you?

A. He was counsellor to the State Department when I was there and knew about the contacts I'd made — I was on good terms with the new Prime Minister of Israel. I was also familiar with Iranian problems, having recently written a book about Iran, and I was knowledgeable about the general subject of terrorism. So it was logical for McFarlane to ask me to approach Prime Minister Shimon Peres to see if Israel and the United States might share information and increase our understanding of Iran.

#### Q. And Peres's response was . . . ?

A. To create a group in Israel who'd pull together their information on Iran — and not just from normal intelligence sources. For example, they contacted people in the recent wave of Jewish immigration from Iran. For my part, I was to put together what

Washington knew so we could compare notes and get a reasonably good picture. It was good timing.

#### Q. Good timing? Why?

A. A man considered one of the most down-to-earth, reliable people in the intelligence field had told me he'd recently traveled through Iran and found the situation much more fluid than he'd previously believed. He said, "This is the time when you people ought to get involved in Iran again."

# Q. And you were soon "involved" with an Iranian in Western Europe named Manucher Ghorbanifar. Who set that up?

A. The Israelis. They'd just met this well-connected Iranian who was better informed about Iran than anyone they'd encountered. Starting in July I participated, with the Israelis, in discussions with Ghorbanifar which continued until my role ended in late November of 1985. Ghorbanifal presented us with a basic proposition: that it was possible for the United States to achieve a better relationship with Iran because there were powerful people — some in high government positions, others in influential Iranian institutions — who believed they could achieve a change in the policies of Iran. To that end, they would undertake to have the government make a series of gestures: statements from government officials that a change was in the offing; an end to terrorist attacks against American targets by Iranian-sponsored groups; an attempt to influence the people who held American hostages to release them.

September, 1987

Declassified and Approved For Release 2012/02/08:

Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

#### INTERVIEW: MIKE LEDEEN

Q. Did you negotiate on this deal?

A. I did not. I discussed possibilities and reported back to McFarlane.

#### Q. On arms for hostages?

A. As a package deal? No, not then. But both subjects — arms and the hostages — came up. Look, a lot of people, while not necessarily against dealing with Iran, object to sending arms and liberating hostages, and in large part I agree with that. But, in any sincere effort to improve relations between the two countries, you have to deal with both issues as a necessary part of the process. On the one hand, the United States can't possibly achieve a fundamental improvement in the relationship so long as there are American hostages in Lebanon whose fate Iran has a great deal to say about. On the other hand, Iran can't improve relations so long as the United States is the prime country in the world — because of the American arms embargo — preventing them from getting the weapons they need to defend themselves in the war against Iraq. So it's foolish to think we could have finessed these questions or failed to address them.

# Q. You mention such Iranian "gestures" as suspension of terrorist attacks against Americans and attempts to get our hostages released. Was this in fact done?

A. There were no more terrorist acts right up until the discussions blew up in the Fall of '86. And one hostage, the Reverend Benjamin Weir, was released in September of '85, but not before the United States had made a reciprocal gesture. The U.S. had to

make at least one — that's the traditional approach in that region — and the most meaningful gesture was to allow Iran access to some of the weapons blocked by the embargo. So the Israelis, with the explicit approval of the President, shipped missiles.

## Q. And you maintain this wasn't an arms-for-hostages linkage?

A. In my view, it was not. The missiles were shipped in the context of this series of reciprocal gestures. But that brutal linkage *did* become explicit in October of 1985. It came up during the most interesting discussion I had with Ghorbanifar.

It was a day-long meeting in Washington not long after Weir was released and, as usual, Ghorbanifar arrived with two sets of messages. The one from private Iranians was that it was possible to change the nature of the regime and influence its policies. They were eager to meet further with us. (I had already met faceto-face with some of these Iranians who, seemingly at great potential risk, were eager to cooperate with us in order to seek fundamental change in Iranian policies.) The second message — from government people — was that if the U.S. would give them so many more weapons, they'd undertake to get so many more hostages released. That's when I realized it was a mistake to barter with the regime over hostages and that we should pursue only the political relationship between our two countries.

#### Q. Why?

A. It still wasn't clear in my mind who Ghorbanifar was and what he

September, 1987

43

Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

CIA-RDP90-00965R000403730023-3

JUNSERVATIVE DIGEST

really represented — what if it was a deception to enable the Iranians to lay their hands on weapons? We had to ascertain if a change in the regime were really possible, and the hostages were, at best, a secondary matter. I believed then, and still do, that we had to stop making it possible for the Iranians to get weapons or we would never be able to gauge the real intentions of the people Ghorbanifar claimed to represent — that was the strategic question. We had to make it clear to the Iranians that any change in the weapons situation would only be as a result of a fundamental change in the relationship, a change in their behavior. But how could we judge intentions with any accuracy while arms were being traded for hostages? Since the Iranians desperately needed weapons, wouldn't they resort to all manner of deceit and illusion just to keep those weapons coming?

Ghorbanifar's response sums up the whole fiasco. He said if we continued with the arms-for-hostages business we would all become hostages to the hostages.

#### Q. So you told McFarlane?

A. Yes, but a part-time consultant is not a policy maker. I said we should get out of the hostage business and start expanding our contacts beyond the handful opened up by Ghorbanifar. To evaluate the real possibilities, we were now in a position to get in touch with a much wider range of Iranians and seek some answers. Were they serious? If so, did they have the capacity to do what they said? Did they really represent a large segment of

Iranian society? But McFarlane was inclined to shut down the whole thing — drop the hostages business and the idea of new political contacts.

## Q. Why would he throw out the baby with the bath water?

A. Several reasons. He was undergoing an intense personal crisis in the Fall of '85 and was preparing to resign. My guess is he figured this whole business was too delicate to leave to a successor. He also had the C.I.A. to contend with and the C.I.A. hated Ghorbanifar (the hatred was mutual) and anything he was associated with. As for dropping the hostage issue while expanding political contacts, I don't doubt for a minute that the President was passionate about the hostages, that he was saying: Get my people out! While this was, in my view, the basic mistake of the whole project, I disagree with the Tower Commission's explanation for it — that this was the fault of a detached management style. Were other democratic leaders — specifically the Israelis and the French also detached when they made the same mistake? When Begin traded 1,500 terrorists in Israeli jails for four officers in Lebanon? When Chirac and Mitterrand did the same thing with Iran for French hostages? It's a mistake not unique to Ronald Reagan: being moved in human terms, being too close to hostage families, trying to save lives.

#### Q. Did you quit with McFarlane?

A. Hell, no. I spent the next year, even after Poindexter asked me to discontinue my work on Iran, buttonholing as many Cabinet members

September, 1987

44

Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

Declassified and Approved For Release 2012/02/08:

CIA-RDP90-00965R000403730023-3

IN I ENVIEW: MIKE LEDEEN

and their friends and deputies as I could reach, trying to convince them that our arms-for-hostages policy was backwards. If the hostages were our main priority, we could never evaluate our true relationship with Iran. But if we pursued that relationship and made real progress, the hostage problem would resolve itself — that's in the logic of improved relations!

#### Q. To whom did you speak?

**A.** I spoke to [C.I.A. Director] Casey three or four times. My analysis was correct, he said, but in Washington one had to get rid of the hostage question before pursuing the political contacts. I discussed it with Ollie North, who has stated that his first priority, when he began dealing with the Iranians in January of '86, was to get the hostages out. Ollie agreed with me that pursuing a better relationship with Iran should be primary, but added: "Go tell the old man. He really wants the hostages." I spoke to Secretary Weinberger, who was very sympathetic — and flabbergasted that he'd never heard about the Iranian contacts I had made. He suggested I brief Shultz but, twice, the message came down: "The Secretary is not interested."

# Q. Mike, let's clear up some sticky questions. You've been accused of profiting from the arms sale.

A. That's electronic gossip. The only money I received from my Iranian activities was the customary hourly or daily government stipend, paid by the N.S.C., along with remittances for most out-of-pocket expenses.

#### Q. What is "electronic gossip"?

A. It was in the form of messages

from Ollie North to Poindexter to McFarlane, reporting that Amiram Nir (the Israeli advisor to Peres on terrorism, who started working with North in January '86) had implied I was in cahoots with other Israelis to make a commission off the sale of weapons to Iran. It's nonsense. I provided the Select Committees with every single bit of financial documentation concerning me, my wife, my kids . . . .

#### Q. Your dog . . . ?

A. Yeah — for the period of '85-'86 — and was told I had the most boring financial status of anyone the independent counsel ever investigated. I said, "Don't tell me, tell the Washington Post." There wasn't a shred of evidence because it never happened.

#### Q. Why would Nir say this?

A. Nir was in the process of trying to get rid of the Israelis I'd worked with on the Iran initiative, and one easy way to get people out is to spread rumors. I was part of the package.

#### Q. Did Ollie North believe Nir?

A. No. He's testified that he believed me. But what I do resent is the fact that neither Ollie nor Poindexter nor McFarlane did what should have been done: investigate the rumor. It might have been a serious security breach, since I've been cleared to read all kinds of intelligence, and if I had taken money I could have been blackmailed. If someone had reported such a rumor to me about North, I'd have apologized, assured him I didn't believe it, but called in the F.B.I. to clear it up one way or the other. But they didn't do this with me, and after all the espionage scandals of this Admin-

45

September, 1987

Declassified and Approved For Release 2012/02/08 : CIA-RDP90-00965R000403730023-3

## Declassified and Approved For Release 2012/02/08 : CIA-RDP90-00965R000403730023-3

#### **CONSERVATIVE DIGEST**

istration, you'd think they would have. Then the Tower Commission — with no evidence — repeated the rumor. Why, I don't know.

## Q. What about the rumor that you're an Israeli agent?

A. Ah yes, the Washington Post and the St. Louis Post-Dispatch. The Post-Dispatch had the usual anonymous source "from a senior staff member of the House Intelligence Committee" to the effect that the only reason Ledeen isn't being investigated is that one Pollard case at a time is enough.

#### Q. What do you say to that?

A. What Zola said of the Dreyfus affair: It's just an infamous lie.

#### Q. With anti-Semitic roots?

A. Pure anti-Semitism. It's the kind of lie that could only be made against someone who's Jewish. I don't know who's spreading it. Whoever is on the House Committee probably heard it from some government official who dislikes me. Generally these things are planted by people in government who don't want to say it themselves, so they find some innocent tool.

# Q. Ghorbanifar — another sticky question. Some Congressmen ridicule taking him seriously.

A. A complicated character, Ghorbanifar, and with a tough job to pull off. He had to maintain simultaneously the confidence of three governments. At some point I'm sure Israel, the United States, and Iran all suspected he was no good, a liar, a cheat. All I can tell you is he was a fantastic source of information and we believed he was a legitimate channel. The issue was not: Who is this guy and what are his personal ethics? No, the issue for us was: Is this man useful to our government in advancing our interests? And within that narrow context — the only proper context — the answer in my view is clearly "yes."

Q. Last question. Ollie North confirmed in his testimony that the United States saw the hostages as an obstacle to get over before we could even get to the question of improving relations with Iran — and that drove you crazy. Precisely why, Mike?

A. Because it was precisely backwards—the tail wagging the dog. It's criminal to conduct foreign policy that way. The point is, you couldn't have had genuinely improved relations so long as there were hostages—everybody knows that—so in the end, the hostages would have come out. But the hostage issue, a kind of sidelight, came to overwhelm all the rest. It was a fundamental mistake. It's an unbelievable story, a fascinating story.

### **3333**

#### **Retroactive Enlightenment**

NINETEENTH CENTURY French humorist Alphonse Allais was proud of a volume of Voltaire which was in his personal library. You see, the book was inscribed this way: "To Alphonse Allais, with regrets for not having known him. [signed] Voltaire."

Declassified and Approved For Release 2012/02/08 :
CIA-RDP90-00965R000403730023-3